

A Brief History of Capitalism

In the 1700's and the century before, the ideas of the 'economy of scale', it being cheaper to make a lot of one thing in one place, together with a desire to control a semi-rural work force, were the driving forces behind the first factories. At the same time dramatic changes in agriculture, such as crop rotation and landlords enclosing fields that were previously communal with walls or hedges, created vast profits for the landowners (mostly the aristocracy), who eventually invested it in new industries.

This first great accumulation of capital, at our expense, was one of the events that marked the start of capitalism proper and set the tone for its later development. These changes also displaced many people from the land and created great poverty. These developments were paralleled by an expansion abroad by the European capitalists in their search for gold and silver to fuel the increasing demand for these metals as a means of storing their growing capital. It is from around this time that capitalist imperialism properly gets off the grounds.

The working class resisted but eventually the economic power of the masters and a State penal code that was one of the cruellest and brutal in the world won the day. For example, you could be hung for stealing a handkerchief, if it was owned by a 'gentleman'. This period was crucial to hammering out the present char-

acteristics of the English working class. The way the law was used was very important in this process. It was a mixture of terror and benevolence and explains much of the present attitudes in our class. Here is a good summary of some of the methods employed;

"The law was used not only to privatise as property what had been commonly enjoyed, but also, and inseparably, to render as crimes what had been customary rights, and to execute, transport or condemn to the hulks those subsequently criminalised. Between 1688 and 1820 the number of capital offences grew from around 50 to over 200; the bulk of the additions concerned offences against property. By 1740 it was a capital offence to steal property worth one shilling. Food rioters and machine breakers faced the death sentence and enclosure rioters transportation. The Black Act of 1723 created fifty new offences at a stroke.

As to enactment, much remained in the hands of JPs - nakedly representing gentry interests. Assizes - the only point of contact for most people with the central State - were occasions of great pomp and ceremonial. The awesome centrepiece of the assizes was the ritual surrounding the pronouncement of the death sentence. Executions were public spectacles, and the ritual of public execution was a necessary part of a system of social discipline where a great deal depended on theatre. The

strict application of the 'law' and importantly the dispensation of 'mercy' helped over time to persuade people that the law was above everybody and fair. Which of course it is not.

Estimates are that maybe 20% of those convicted of capital offences were sentenced to death and of those just half were actually executed. The word of a 'gentleman' could influence a jury not to convict or a judge to recommend pardons or leniency. This helped to create the mental structure of paternalism, cementing dependence with gratitude and qualifying the



impersonal rigour of the law. We have something far stronger here than coercion alone."

-from "The Great Arch" by Corrigan and Sayer.

It is worth noting that the introduction of capitalism was fiercely resisted by the peasants and early factory workers. This resistance was overcome by extreme brutality - famine, massacres, murder, torture and transportation. This is the real history of capitalism. The people chucked off the land and out of the small cottage workshops and terrorised by this legal system were to become the industrial working class of the 19th century. They formed the vast pool of people who had nothing except the ability to work, called the 'proletariat', an awkward sounding word derived from Latin meaning someone without property but one notch above being a slave! From this great mass of dispossessed people were recruited the workers the capitalists required.

The introduction of machines such as Arkwright's spinning jenny, Watt's steam engine and Arkwright's powerlooms and the dividing of labour into narrow repetitive actions following the teachings of the economic philosophers such as Adam Smith, reduced the role of the workers to machine feeders and minders or just 'factory hands'. This was again stiffly resisted with machine breaking, armed rebellion and executions of mill-owners. Again the resistance was defeated by a mixture of military means and divide and rule propaganda such as loyalism and sexism. The economic power of the masters and merchants that was protected by the State was used to hold whole communities to ransom until they adopted new methods of work, often at the point of starvation. The city and factory age of capitalism had arrived.

The late 18th and early 19th century was a period of great brutality and squalor for the victims of capitalism. It would be fair to say that our people resisted tooth and nail against being turned into "the working class". Under the new regime, their standard of living dropped with drastically lower wages than before. This in turn produced another great accumulation of capital that went to fuel the economic engine of capitalism in its growth. Here is an example of what was involved; Cobbett, a social commentator talking of the weavers in Halifax in 1832 observed;

"It is truly lamentable to behold so many thousands of men who formerly earned 20 to 30 shillings a week, now compelled to live on 5 or 4 shillings and even less a week".

from "The Making of the English Working Class" -E. P. Thompson.

This well and truly marked the end of the traditions of feudalism in the economic life of society, although it lingered on in the legal system with its emphasis on benevolence. It was replaced with the ideas of classical liberalism. The old paternalistic views were now those of a small minority. This new set of ideas, or ideology, was given its clearest expression in 1776 in Adam Smith's "Wealth of Nations" which reflected the needs of the new capitalist order and totally broke the hold of the older views. The new capitalists needed to break the restraints on their production and trade that feudalism

had maintained and Adam Smith's work gave them their theoretical justification. At the heart of this were four main assumptions about people. They were considered to be lazy, selfish, cunning and generally independent of society. This is really a description of the capitalist's own attitudes and values. In other words they assumed the world to be a mirror of themselves. This is typical of the arrogance of the ruling class, and one of their weaknesses.

Smith's work also assumed that an economy was made up of many small enterprises, so no individual company could exercise any significant influence on the market, hence his idea of a free market. With the growing concentration of capitalism into bigger companies you would think his work would be redundant but not so. Much of the history of economics since has been the patching up of Smith's ideas. From this period in working class history we can see the origins of the present Labour Party and trade union tradition, the Tolpuddle martyrs. The name says it all, "Martyrs", a forelock tugging bunch of religious berks who got transported for trying to form a union. They were so wet the ruling class let them come back. We draw our inspiration from the Luddites, the "Captain Swing" rural fighters and the Naval and Army mutineers of the period as well as the London Mob. And of course the Paris Commune, who gave Karl Marx the biggest shock of his life. In 1871 the Paris workers and some of the middle class rose in revolt - they were brutally suppressed with over 20,000 killed.

But by the mid 19th century the British ruling class had succeeded in constructing the present structure of society as we know it. The efforts of social engineering by the Tories under Thatcher were a pale shadow of the events of the 18th and 19th century. We still live in the shadow of this 'Great Arch' of oppression that they finished building in the 19th century.

"In these years (the 19th century) the Great Arch of the modern ruling class was finally finished, many of the bricks marked with the graffiti of the vanquished, and much blood, most of it foreign, mixed with the cement."

-from "The Great Arch" by Corrigan and Sayer.



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